

Working With Vendors

Agenda Working With Vendors

- Initial considerations
- Vendor's assistance with E-Rate forms (what they cannot do, what they can do)
- Discount delivery
- Form 486 Issues
- Preparing to receive your discounts
- Questions and answers

Initial Considerations

Select vendors based on criteria defined by the SLD

- Service quality
- Prior experience
- Personnel qualifications
- Management capability
- Schedule compliance
- Does not have to be lowest bidder, follow the local procurement guidelines

Initial Considerations

Vendor's experience working with schools and the E-Rate program

- understanding of E-Rate program rules and timelines
- willingness to lend assistance within guidelines of the E-Rate program
- ability to deliver discounts on a timely basis

Initial Considerations

Understand vendor's support mechanisms in advance of selection

- Clarify points of contact with vendor
- Know what the vendor can do to help you

What the Vendor Cannot Do

- Vendors may **not** sign the forms. District must sign and certify applications
- Consult vendors on issues but always verify answers/issues with SLD (i.e., verify with SLD publications or email the SLD at question@universalservice.org for your E-rate documentation binder)
- Make decisions on behalf of Districts
- Influence the Competitive Bidding Process

What the Vendor Cannot Do (cont)

- Serve as a contact on the Form 470 in areas for which they provide service
- Approve Technology Plans
- Waive applicant's undiscounted portion
- Coerce applicants to use specific vendor, i.e., free completion of forms, greatly reduced prices, contracts containing penalties.

What the Vendor Can Do

- Act as advisors on solutions
- Provide information necessary to complete your E-Rate forms
- Assist in identifying eligible services
- Establish how and when discounts will be delivered
- Communicate appropriate points of contact
- Provide neutral assistance in RFP development
- Provide neutral technical assistance on technology plan

What you can do to help the vendor

- File Form 486 in a timely manner
- Establish a single point of contact
- Establish timelines and milestones early
- Understand and communicate the details of your funding commitments(s)
- Communicate by using vendor "common" terms
- Be prepared and be flexible
- Keep documentation of all contracts, forms sent to SLD, postmarks, and appeals.

Changing Vendors

- Service Provider has breached their contract with you
- Service Provider refuses to participate in the E-Rate program
- Service Provider has gone out of business

SPIN Change Form 500 Process & changes in funding requests

Copan Decision order broadened SPIN change process:

- SPIN change is allowed under local procurement rules
- SPIN change is allowable under the terms of the contract between the applicant and its original service provider
- Applicant has notified its original service provider of its intent to change providers.

Substituting services or products

Allowable by SDL if:

- Services/products are no longer available
- Are better/newer functional equivalent for equal or less cost
- There is no increase in cost
- Change is consistent with local procurement requirements
- There no increase in percentage of ineligible functions

Process for substituting services or products

- Service provider submits product service change list(s) to SLD
- SLD issues approval letter
- Applicant files supplemental Form 471 (Block 2, Item 7 checked, and Blocks 1,2, and 6 with all affected FRNs, and the approval letter attached)

Products/Service Substitutions

LAUSD (2/13/01) Decision allows product or service substitutions if:

- Product or service has same functionality
- No increase in price
- No violation procurement laws
- Does not increase % of ineligible services

Receiving Discounts

- Billed Entity Applicant Reimbursement (BEAR) process
- Discounted, Split Billing, or Credits
 - Discounts are applied against the charges appearing on bills
 - Customers may request that service providers convert credits to cash payments (similar to a refund)

BEAR Process

- School completes Form 472 to recover money already paid to vendor for eligible services
- Vendor signs Form 472
- Schools sends Form 472 to SLD
- SLD sends BEAR Acknowledgement Letter to school
- SLD issues funds to vendor
- Vendor sends check to school

Discounted Billing

- E-Rate discounts are applied on billing statements
- School pays only for the non-discounted portion of eligible services
- Vendor invoices SLD for the discounted portion of the bill
- SLD issues funds to vendors
- Applicant can ask vendor to convert credit to cash payment

Preparing To Receive Your Discounts

How to Find Your Service Provider's SPIN

- Applicants submitting Form 471 should contact their service providers and obtain their SPINs so those numbers can be submitted as part of the Form 471 (in Block 5).
- Applicants may find SPIN contact information for many service providers on the SLD Web Site in the "SPIN/BEAR Contact Search." This database provides phone numbers and/or addresses where applicants can call service providers directly to obtain SPINs.

Preparing to receive discounts

- Applicant submits Form 486 to SLD
- SLD notifies service provider to begin discounts
- Service provider applies discounts to eligible services
- Applicant may need to complete a Pre-Discount Cost Calculation Grid in order to determine the applicable discount

source <http://www.sl.universalservice.org/apply/9year2.asp>

Form 486

- Triggers the payment of discounts to service providers (and the service providers then reflect this discount on your bills)
- Certifies that you have received approval for the technology plan(s) of entities receiving discounts on E-rate eligible services and who is authorized to approved your technology plan
- Certifies that signed contracts are in place for the services that require signed contracts
- Certifies CIPA compliance

Summary

- Understand the vendor's role in the process
 - Set expectations with the vendor
- Communicate early and often
- Know how your discounts will be delivered
 - BEAR or discounted billing ?
- Establish milestone events with your vendor
 - When will the 486 be filed ?

California Department of Education (CDE)

2001-2002 E-rate/CTF Training Materials

Working With Vendors

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